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Impact of the implementation of pilot projects on budgetary practices and procedures

Report of the Secretary-General

Summary

The present report provides additional information on the impact of the implementation of pilot projects on budgetary practices and procedures, as requested by the General Assembly in its decision 53/456 of 18 December 1998. It covers the pilot project in the Economic Commission for Latin America and the Caribbean (ECLAC).

In April 1999, a Department of Management team evaluated the progress on the pilot project. The team concluded that the implementation of the extended delegation to ECLAC in the area of human resources management had been satisfactory and beneficial to both ECLAC and the Office of Human Resources Management. The team also concluded that there had been no impact on budgetary practices and procedures, and that the delegated authority had been exercised in accordance with existing regulations and rules and overall policies and procedures.

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I. Introduction

1. The present report is issued pursuant to General Assembly decision 53/456 of 18 December 1998, in which the Assembly decided to consider the question of the impact of the implementation of pilot projects on budgetary practices and procedures at its resumed fifty-third session, and requested the Secretary-General to submit additional information, as recommended by the Advisory Committee on Administrative and Budgetary Questions (see A/C.5/53/SR.39) at that time. Subsequently, the General Assembly decided to defer consideration of this question to the resumed fifty-third session. The present report is supplementary to the note by the Secretary-General on the same subject (A/52/852), and provides information on the implementation of the pilot project at the Economic Commission for Latin America and the Caribbean (ECLAC).

II. Delegation of authority to the Economic Commission for Latin America and the Caribbean

2. Under the pilot project, delegation of authority was given to ECLAC in several areas of human resources management and limited aspects of financial management. Details of the delegation are contained in the annex, along with the results achieved. It is noted that, in the light of concerns expressed by the General Assembly in its resolution 52/220 of 22 December 1997 about possible changes in budgetary practices and procedures, the delegation of authority on financial matters was never implemented by ECLAC except for the write-off of property for Survey Board (SB) cases.

III. Implementation of the pilot project at the Economic Commission for Latin America and the Caribbean: progress and evaluation

A. Human resources management

3. Under the pilot project, which commenced in October 1997, human resource management authority was delegated to the Executive Secretary of ECLAC in several areas (for details, see annex). In its resolution 51/226 of 3 April 1997, the General Assembly requested that, before authority was delegated to programme managers, mechanisms should be put in place in order to monitor and control such delegation. Accordingly, the Office of Human Resources Management provided ECLAC with the necessary guidelines and policies as well as the required reporting requirements. In compliance with these requirements, ECLAC provided the Office with monthly staffing tables and with quarterly reports on its activities under the pilot project.

4. An evaluation team was sent to ECLAC in April 1999 in order to assess the results of the pilot project. The team found that the project largely met the goals of the delegation, which were the empowerment of the programme managers and reduction of the layers of decision-making, while maintaining administrative events in accordance with the established rules and policies.

5. Principal outcomes of the review are as follows:

(a) The most important element in the delegation to ECLAC was the authority for recruitment, placement, and promotions to posts at the P-2 to P-4 levels. Approval of appointments or promotions should be on the basis of unanimous recommendations of the programme managers and the appointment review bodies. The issuance of vacancy announcements remained subject to approval of the Office of Human Resources Management, and in any case, where there was no unanimous agreement was to be referred to the Office for a decision. Also, placement of staff from the national competitive examinations candidates remained a responsibility of the Office;

(b) ECLAC followed the procedures for issuance of the vacancies and the selection of candidates for the posts. One exception was considered but not pursued after consultation with Headquarters;

(c) ECLAC paid due attention to the policy targets of geographical representation and gender balance. Of the eight newly appointed staff under the pilot project, two candidates were from under-represented countries, one from a nationality within range below midpoint, five from nationalities within range above midpoint. Four of these candidates were female. In addition, two female candidates from countries within range were appointed to posts at the D-1 and P-5 levels. In April 1999, women represented 31.25 per cent of the ECLAC staff;

(d) ECLAC had promoted no P-2 staff member to the P-3 level, which could have a negative impact on the P-2 staff on board. Subsequently, in April 1999 ECLAC proposed five P-2 staff members for promotion to the P-3 level;

(e) The process for filling posts under the pilot project took approximately six weeks less than for posts

approved at Headquarters. That reduction was due to the fact that the decision-making procedure has fewer steps in the process. As a result of the OHRM review, ECLAC will make some changes in its review mechanisms aimed at a speedier processing of cases;

(f) Decisions in other areas of the delegation, such as classification of general service posts, agreed terminations and special post allowances, relate to a limited number of cases, which were properly reported to OHRM. ECLAC had satisfactorily complied with the rules and procedures. OHRM will continue to monitor these areas.

6. The team examined the lessons learned from the pilot project. It concluded that the implementation of the extended delegation to ECLAC in the area of human resources management had been satisfactory and beneficial to both ECLAC and the Office of Human Resources Management. The Executive Secretary had exercised his delegated authority in a prudent and appropriate manner with due regard to the policies and guidelines issued in connection with the project. The team was of the view that the scope of the delegation should be maintained at its current level and that the Office should continue to provide full support to maintain the efficiency of the recruitment process and strengthen the capacity of human resources management functions of ECLAC.

B. Financial resources management

7. Delegation of authority in the area of financial management was limited to the property write-off for SB cases, up to $5,000 per case. The delegation of this authority required ECLAC to provide biannual reports to the Controller on write-off actions taken. No cases in excess of the previous level of delegation were considered. Therefore, this authority has not been used to date. The Division of Administration in ECLAC was of the opinion that it would be able to properly handle the delegation related to property write-off cases and would process them as needed. The team concurred with the position of ECLAC management in respect of this part of the delegation of authority.

8. It had been agreed to give authority to apply the revenues from sale of goods/services directly to ECLAC accounts in order to finance purchase of goods and services, subject to the establishment of a revolving fund. However, since the revolving fund has not been established to date, that authority has de facto never been given to ECLAC. ECLAC management indicated that it would not pursue the delegation of authority regarding revenues at this stage, while member States of the Commission continue to discuss reform issues pertaining to ECLAC in the United Nations.

9. In addition, in the area of procurement, an initial request was made to increase procurement authority from $200,000 to $1,000,000. Such authority was never given to ECLAC since it was felt that the ceiling of $200,000 was adequate. The team noted that the local Committee on Contracts considered 24 cases within the $200,000 authority and that there were no cases over $200,000.

10. ECLAC management informed the team that they would not seek additional delegation of authority in other matters.

IV. Conclusions

11. In the light of the foregoing, the Secretary-General considers that the pilot project has been implemented without any impact on budgetary practices and procedures and within the existing regulations and rules. Regular monitoring has ensured the proper application of the rules and regulations and overall policies of the Organization. The Secretary-General will continue close monitoring of the delegation of authority to ECLAC at the current level.

Annex

Results of the implementation of the pilot project at the Economic Commission for Latin America and the Caribbean

A. Human resources management

Delegated authority	*Results*
1. *Appointment, promotion and placement*	
• Decision on appointment, promotion and placement of staff up to the P-4 level on unanimous recommendation of the Economic Commission for Latin America and the Caribbean (ECLAC) Appointment and Promotion Committee (APC), and up to the D-1 level for periods of less than a year.	• The Executive Secretary of ECLAC approved eight appointments and four promotions (one was from outside ECLAC) for posts at the P-3 and P-4 levels, based on unanimous recommendations by the local APC. No promotions were made at the P-3 level, although ECLAC has 33 staff members at the P-2 level. Currently, there are five cases where promotions of internal staff members from the P-2 to the P-3 level are being considered. • Under the authority of the Office of Human Resources Management (OHRM), four P-2 and one P-3 posts were filled from the roster of successful candidates of national competitive examinations in the period of the pilot project.
• Decision to give new appointment or reinstatement/disability benefit within 12 months of separation from service; or on disability benefit for staff in the Professional category up to the P-4 level.	• There were no cases.
• Determination of grade and step, for the Professional category and the D-1 level.	• ECLAC determined grade and step upon initial appointment for all cases up to the D-1 level, in accordance with the relevant regulations and rules.
• Decision to appoint a candidate with family relationship.	• There were no cases.
• Extension of fixed-term appointments between one and two years for staff both in General Service and related categories, and in the Professional and higher categories up to the D-1 level.	• Eleven cases of conversion of appointment were approved by following established rules and guidelines in all cases. No appeals against administrative decisions were filed.
• Preparation of draft vacancy announcements for Professional posts at all levels.	• In accordance with the delegation, ECLAC prepared draft vacancy announcements for all vacancies for Professional posts (except for those earmarked for candidates from national competitive examinations and G to P examinations), on the basis of which OHRM issued vacancy announcements.
2. *Classification of General Service posts*	
• Classification of General Service posts up to the GS-7 level for all ECLAC duty stations.	• ECLAC reported classification of four posts in the General Service category. The team confirmed that this has been done following the relevant rules and procedures. No appeals were recorded.

Delegated authority	*Results*
3. *Termination*	
• Authority to offer and approve agreed termination packages for General Service, including those with indemnity up to 50 per cent higher than that which would otherwise be payable under the staff regulations, and authority to approve repatriation grant.	• During the course of the pilot project, three cases of agreed terminations for General Service staff were approved. These cases were reported to OHRM, which monitored the process and ensured that ECLAC followed the existing rules and guidelines.
4. *Administration of allowances and entitlements*	
• Granting of special post allowance (SPA) for the Professional category up to the D-2 level.	• ECLAC granted SPA to five staff members in the Professional category and one in the General Service category. Cases were reviewed and recommendations made by the ECLAC departmental panel. The team confirmed that the guidelines provided by OHRM had been followed.
• Granting of special salary advance.	• ECLAC approved one salary advance. This was reported to OHRM as part of the reporting requirements. The team found that ECLAC had followed established rules and guidelines in this regard.
• Determination of mobility and hardship allowance for all staff at ECLAC, including payment of the non-removal element of the allowance.	• ECLAC determined mobility and hardship allowance, as appropriate, by following relevant rules and procedures.
• Granting of special leave without pay for up to two years and of special leave with full pay for adoption of a child.	• There was only one case of leave without pay. As part of the reporting requirements, ECLAC included this aspect in its quarterly reporting to OHRM. ECLAC followed established rules and guidelines in this case.
5. *Travel and removal*	
• Approval of home leave to a country other than the country of nationality.	• No cases occurred.
• Approval of separate home leave travel of dependants not in the same home leave year.	• ECLAC approved one case of separate home leave travel of dependants within the relevant rules and procedures.
• Authorization of travel after separation up to six months after the date of separation.	• There was only one case, which ECLAC approved within the relevant rules and procedures.
• Decision whether to pay removal costs or non-removal element of the mobility and hardship allowance.	• For all cases of recruitments and transfers, ECLAC determined, as appropriate, payment of removal costs or non-removal element of the mobility and hardship allowance within the relevant rules and procedures.
• Authorization of storage costs not directly incidental to normal transportation.	• No cases occurred.
• Decision to authorize unaccompanied shipment/removal expenses on separation beyond six months/one year.	• No cases occurred.

Delegated authority	*Results*
6. *Other areas*	
• Obtaining government concurrence for secondment from governments.	• No cases occurred.
• Approval of inter-agency secondment or transfer of staff in the Professional category within duty station.	• ECLAC approved one inter-agency transfer of staff within the relevant rules and procedures.
• Control over the full utilization of training funds allotted to ECLAC (although globally mandated training remains under the control of OHRM).	• ECLAC utilized and managed the training funds allotted in accordance with the relevant staff rules and regulations. It was reported to OHRM.

B. Financial resources management

Delegated authority	*Results*
Property write-off for Survey Board cases	
• Authority to write off property for Survey Board cases up to US$ 5,000: this delegation required ECLAC to provide biannual reports to the Controller on write-off actions taken.	• No cases in excess of the previous level of delegation were considered. Therefore, this authority has not been used to date.